

Registered number
05032892

CLS Finance Limited

Report and Accounts

31 December 2017

CLS Finance Limited

Registered number:

05032892

Directors' Report

The directors present their report and accounts for the year ended 31 December 2017.

Principal activities

The company's principal activity during the year continued to be that of providing consumer finance.

Directors

The following persons served as directors during the year:

Mr S P Young
Mr C O Holding

Disclosure of information to auditors

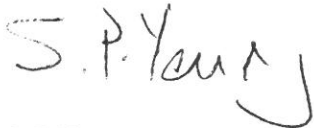
Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 26 April 2018 and signed on its behalf.



S P Young
Director

CLS Finance Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CLS Finance Limited
Independent auditor's report
to the members of CLS Finance Limited

Opinion

We have audited the accounts of CLS Finance Limited for the year ended 31 December 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out below, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In accordance with the exemption provided by FRC's Ethical Standard - Provisions Available for Audits of Small Entities, we have prepared and submitted the company's returns to the tax authorities and assisted with the preparation of the accounts.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the directors have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the report and accounts, other than the accounts and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the directors' report has been prepared in accordance with applicable legal requirements.

CLS Finance Limited
Independent auditor's report
to the members of CLS Finance Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Graham Davies BA FCA
(Senior Statutory Auditor)
for and on behalf of
Innovating Enterprise Ltd, trading as Davies McLennon
Accountants and Statutory Auditors

93 Wellington Road North
Stockport
Cheshire
SK4 2LR

26th April 2018

CLS Finance Limited
Profit and Loss Account
for the year ended 31 December 2017

	2017	2016
	£	£
Turnover	4,598,494	4,044,888
Cost of sales	(2,155,728)	(1,441,716)
Gross profit	<u>2,442,766</u>	<u>2,603,172</u>
Administrative expenses	(1,263,442)	(1,211,020)
Operating profit	<u>1,179,324</u>	<u>1,392,152</u>
Interest receivable	20	97
Interest payable	(978,045)	(789,176)
Profit before taxation	<u>201,299</u>	<u>603,073</u>
Tax on profit	(38,534)	(120,550)
Profit for the financial year	<u>162,765</u>	<u>482,523</u>

CLS Finance Limited
Registered number:
Balance Sheet
as at 31 December 2017

05032892

	Notes	2017 £	2016 £
Current assets			
Debtors	4	13,133,650	11,723,235
Cash at bank and in hand		301,215	1,434,487
		<u>13,434,865</u>	<u>13,157,722</u>
Creditors: amounts falling due within one year			
	5	(5,820,361)	(5,283,120)
Net current assets		<u>7,614,504</u>	<u>7,874,602</u>
Total assets less current liabilities			
		7,614,504	7,874,602
Creditors: amounts falling due after more than one year			
	6	(5,978,935)	(6,284,894)
Net assets		<u>1,635,569</u>	<u>1,589,708</u>
Capital and reserves			
Called up share capital		100,000	100,000
Profit and loss account		1,535,569	1,489,708
Shareholders' funds		<u>1,635,569</u>	<u>1,589,708</u>

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

S P Young

S P Young
 Director

Approved by the board on 26th April 2018.

CLS Finance Limited
Statement of Changes in Equity
for the year ended 31 December 2017

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2016	100,000	1,236,575	1,336,575
Profit for the financial year		482,523	482,523
Dividends		(229,390)	(229,390)
At 31 December 2016	<u>100,000</u>	<u>1,489,708</u>	<u>1,589,708</u>
At 1 January 2017	100,000	1,489,708	1,589,708
Profit for the financial year		162,765	162,765
Dividends		(116,904)	(116,904)
At 31 December 2017	<u>100,000</u>	<u>1,535,569</u>	<u>1,635,569</u>

CLS Finance Limited
Notes to the Accounts
for the year ended 31 December 2017

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover represents the value of interest and commissions earned from the provision of consumer finance. Turnover from interest earned is recognised using the effective interest rate method in accordance with the contract providing the consumer finance. Turnover from commissions received is recognised when the commission is due.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

CLS Finance Limited
Notes to the Accounts
for the year ended 31 December 2017

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Audit information

The audit report is unqualified.

Senior statutory auditor: Graham Davies BA FCA
Firm: Innovating Enterprise Ltd, trading as Davies McLennon
Date of audit report:

3 Employees

	2017	2016
	Number	Number
Average number of persons employed by the company	<u>33</u>	<u>20</u>

4 Debtors

	2017	2016
	£	£
Trade debtors	12,207,708	11,043,074
Taxation and social security costs	2,059	3,970
Other debtors	<u>923,883</u>	<u>676,191</u>
	<u>13,133,650</u>	<u>11,723,235</u>
Amounts due after more than one year included above	<u>6,136,815</u>	<u>5,697,122</u>

CLS Finance Limited
Notes to the Accounts
for the year ended 31 December 2017

5 Creditors: amounts falling due within one year	2017	2016
	£	£
Bank loans and overdrafts	4,867,055	4,012,622
Trade creditors	4,087	766
Taxation and social security costs	51,032	129,532
Other creditors	898,187	1,140,200
	<u>5,820,361</u>	<u>5,283,120</u>

6 Creditors: amounts falling due after one year	2017	2016
	£	£
Bank loans	5,058,617	5,410,713
Other creditors	920,318	874,181
	<u>5,978,935</u>	<u>6,284,894</u>

7 Loans	2017	2016
	£	£
Creditors include:		
Secured bank loans	<u>9,925,672</u>	<u>9,423,336</u>

Loans are secured by fixed and floating charges over the assets of the company.

CLS Finance Limited
Notes to the Accounts
for the year ended 31 December 2017

8 Related party transactions

	2017	2016
	£	£
CR Services Limited		
Related company under common ownership		
Amounts included in other debtors	918,645	641,988
Commissions paid to CR Services Limited	2,153,566	1,442,296
Received from CR Services Limited in respect of vehicle buy	3,080,266	1,940,431
CLSF SSAS Pension scheme		
Company pension scheme for benefit of directors		
Loan from pension scheme included in other creditors	772,862	675,451
Loan has no fixed repayment date		
Interest payable to Pension Scheme	113,586	68,398
Rent paid to Pension Scheme	-	48,000

9 Other information

CLS Finance Limited is a private company limited by shares and incorporated in England. Its registered office is:
Unit 2 Alexandra Street
Hyde
Cheshire
SK14 1DX

CLS Finance Limited
Detailed profit and loss account
for the year ended 31 December 2017

This schedule does not form part of the statutory accounts

	2017	2016
	£	£
Sales	4,598,494	4,044,888
Cost of sales	(2,155,728)	(1,441,716)
Gross profit	<u>2,442,766</u>	<u>2,603,172</u>
Administrative expenses	(1,263,442)	(1,211,020)
Operating profit	<u>1,179,324</u>	<u>1,392,152</u>
Interest receivable	20	97
Interest payable	(978,045)	(789,176)
Profit before tax	<u>201,299</u>	<u>603,073</u>

CLS Finance Limited
Detailed profit and loss account
for the year ended 31 December 2017

This schedule does not form part of the statutory accounts

	2017 £	2016 £
Sales		
Sales	<u>4,598,494</u>	<u>4,044,888</u>
Cost of sales		
Commissions payable	<u>2,155,728</u>	<u>1,441,716</u>
Administrative expenses		
Employee costs:		
Wages and salaries	525,618	320,307
Directors' salaries	23,701	10,602
Pensions	83,991	82,084
Employer's NI	31,719	17,732
Recruitment expenses	1,280	6,470
Staff training and welfare	722	108
Travel and subsistence	6	306
Motor expenses	4,179	2,041
	<u>671,216</u>	<u>439,650</u>
Premises costs:		
Rent	-	48,000
	<u>-</u>	<u>48,000</u>
General administrative expenses:		
Telephone and fax	5,088	-
Postage	14,826	10,327
Stationery and printing	-	23
Bank charges	44,790	35,442
Insurance	-	1,551
Software and IT expenses	58,695	31,295
Repairs and maintenance	900	769
Bad debts	289,579	575,905
Irrecoverable VAT	8,692	5,893
Sundry expenses	194	61
	<u>422,764</u>	<u>661,266</u>
Legal and professional costs:		
Audit fees	8,640	7,960
Accountancy fees	208	3,126
Other legal and professional	160,614	51,018
	<u>169,462</u>	<u>62,104</u>
	<u>1,263,442</u>	<u>1,211,020</u>